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Date: 01 May 2020

Dear Trisha,

Grid Code Modification Proposal GC0143 'Last resort disconnection of Embedded Generation' – decision on urgency

GC0143 was raised by National Grid ESO on 30 April 2020.¹ Following the Panel meeting, we received a request from the Grid Code Review Panel Chair that GC0143 be treated as an Urgent Modification Proposal.²

This letter sets out our decision that Modification Proposal GC0143 should be progressed on an urgent basis.

Background

GC0143 seeks to clarify the Grid Code regarding the Electricity System Operator's (ESO) ability to instruct Distribution Network Operators (DNOs) to, in an emergency, disconnect Distributed Generation (DG).

Due to the ongoing outbreak of COVID-19, the electricity system is experiencing new challenges. The unprecedented societal changes brought about by measures put in place to

¹ <https://www.nationalgrideso.com/industry-information/codes/grid-code-old/modifications/gc0143-last-resort-disconnection-embedded>

² References to the "Authority", "Ofgem", "we", and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

deal with the pandemic has led to a significant reduction in electricity demand. When combined with certain weather conditions, this may result in demand falling to levels rarely seen on the transmission system, introducing new challenges for the ESO in balancing the transmission system. The ESO has a range of commercial tools available to deal with these challenges, and is developing further tools specific to managing through periods of low demand. However, in the unlikely event that these commercial tools fall short of what is required, the ESO can call on emergency action to balance the system.

The modification seeks to clarify the nature of existing emergency instructions the ESO can provide to DNOs to disconnect plant. The Proposal is time limited and would be in force until 25 October. The ESO consider that urgency is required due to the possibility of a period of low demand with significant operational risk on the 8 May bank holiday weekend.

Panel View

At the Grid Code Review Panel meeting on 1 May 2020, the Panel voted by majority in favour of the motion and agreed to recommend to Ofgem that GC0143 should be progressed as an Urgent Modification Proposal.

Whilst the majority of the panel accepted the Proposal for urgency there were notable concerns raised such as:

- the commercial impact on generators affected by emergency disconnection
- the length of time it took the ESO to bring this modification forward
- the process by which DNOs would action any emergency instruction.

However one panel member voted against. They believe that:

- the ESO has unlimited ability to issue emergency instructions already
- that an urgent modification was an improper route to follow when an enduring solution should be sought in the first instance.

The panel has set out an urgent timetable for the Proposal in an annex to their letter.

Our Views

In reaching our decision on the urgency of the Modification Proposal we have considered the details within the Proposal, the justification for urgency, the views of the Panel and we

have also assessed the request against the urgency criteria set out in Ofgem’s published guidance.³

Our guidance sets out that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed, may cause:

- a significant commercial impact on parties, consumers or other stakeholder(s); or
- a significant impact on the safety and security of the electricity and/or gas systems;
or
- a party to be in breach of any relevant legal requirements.

In assessing whether to grant GC0143 urgent status, we have considered the Panel’s representations. Since the start of the COVID-19 crisis there has been a decline in transmission system demands. We understand that the ESO has concerns that this may impact on the safety and security of the electricity system.

We agree that the nature of these potential impacts meets the urgency criteria (in particular, the second criteria listed above) and warrants urgent consideration of the Proposal and should follow the urgent timetable as set out below.

Process	Date
Ofgem Decision on Urgency	1 May 2020
Consultation Commences	1 May 2020
Consultation Close-out for representations	5 May 2020
Final Modification Report available for Panel	5 May 2020
Modification Panel recommendation	6 May 2020
Ofgem Decision expected by	7 May 2020

For the avoidance of doubt, in granting the request for urgency, we have made no assessment of the merits of the Proposal and nothing in this letter in any way fetters our discretion in respect of the Proposal.

³ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-code-modification-urgency-criteria-0>

If you have any comments or questions about this letter, please contact Martin Queen at martin.queen@ofgem.gov.uk.

Yours sincerely,

Peter Bingham
Chief Engineer